

EXTENSIONS OF REMARKS

PROHIBITING HMO'S FROM USING TAXPAYER MONEY TO LOBBY FOR HIGHER MEDICARE PAYMENTS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1999

Mr. STARK. Mr. Speaker, Medicare HMOs are lobbying Congress, saying they are not being paid enough. The following memo shows that we are in fact overpaying most HMOs, largely due to the fact that most of them are enrolling much healthier than average Medicare beneficiaries.

Nevertheless, a number of HMOs are recruiting enrollees to send in form letters to Members of Congress urging higher payment rates. What is annoying is that they are spending some Medicare money on this lobbying.

They can lobby out of their profits and their CEO salaries if they want, but I don't think they should finance their lobbying out of taxpayer-Medicare payments. The enclosed letter from the Office of the Inspector General describes the problem.

I am introducing legislation to correct the problem identified by the OIG. The bill will save the taxpayer from financing lobbying to

spend more taxpayer money. It might also cause some of those lobbying HMOs to spend money on health care rather than lobbying. That would be nice.

DEPARTMENT OF HEALTH HUMAN SERVICES,

Washington, DC, September 11, 1998.

HON. FORTNEY H. (PETE) STARK,
Subcommittee on Health, Committee on Ways
and Means, House of Representatives,
Washington, DC

DEAR MR. STARK: This responds to your letter of August 25, regarding a news report that the American Association of Health Plans (AAHP) was urging its member HMO's to compile lists of enrollees, one purpose of which was to encourage enrollees to write letters to Congress regarding pending managed care legislation. You raised concerns about the rights of the approximately 5 million Medicare beneficiaries enrolled in managed care plans.

Your first question asks whether it is "legal or appropriate under Medicare's patient privacy provisions to be contacting beneficiaries for purposes of lobbying?" While we share your concern about the appropriateness of contacting Medicare beneficiaries to encourage them to lobby Congress, the practice itself does not appear to be illegal. As long as no Federal funds themselves are used to support lobbying, we are aware of no restriction in the Medicare law on what a plan, provider, or supplier may communicate to a Medicare beneficiary.

Your second question asks, "are the companies which are participating in this lobbying campaign assigning any part of the cost of the Medicare program?" Specifically, you ask whether the administrative costs of lobbying are included in the adjusted community rate (ACR) of the Medicare plans. Under the current ACR process, such costs might indeed be included in a plan's ACR proposal, since the proposal is based upon amounts that would be charged if the plan furnished the Medicare covered services package to its general membership. The law does not restrict a plan from including costs in its ACR proposal that would be considered unallowable under Medicare principles or the Federal Acquisition Regulations. In a recent audit report (Review of the Administrative Costs Component of the Adjusted Community Rate Proposal, A-14-97-00205), we have raised concerns about the present system's inclusion of such costs, especially including lobbying costs, in the ACR proposal. The effect of including these additional administrative costs may be to limit the amount by which enrollees' premiums would be reduced, the amounts of extra noncovered Medicare benefits afforded enrollees, or amounts otherwise credited to the program.

Again, we share the concerns raised in your letter. If you would like additional information about our work with regard to Medicare managed care, please let us know.

Sincerely,

JUNE GIBBS BROWN,
Inspector General.

CURRENT MEDICARE OVERPAYMENTS TO MANAGED CARE PLANS

[Prepared by Rep. Pete Stark's staff]

Source of overpayment	Cost of Medicare	Source of analysis
Overpayments due to BBA change that removed HCFA's ability to recover overpayments when health care inflation is lower than expected.	\$800 million in 1997	Congressional Budget Office.
	\$8.7 billion over 5 years	
	\$31 billion over 10 years	
Overpayments due to lack of risk adjustment	5-6% overpayment to HMOs per beneficiary who is enrolled	Physician Payment Review Commission (now MedPAC) 1996 Annual Report.
Overpayment due to inflation of Medicare's share of plan administrative costs	More than \$1 billion annually	HHS Office of Inspector General July 1998.
Overpayments due to inclusion of fraud, waste and abuse dollars from FFS payments. Managed care plans should better "manage" and therefore avoid such fraud, waste and abuse.	7% annual overpayment	HHS Office of Inspector General Sept. 11, 1998.
	Annual savings with a corrected 1997 base year would be:	
	\$5 billion in 2002	
	\$10 billion in 2007	

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DISALLOWING COSTS THAT ARE UNALLOWABLE UNDER MEDICARE PRINCIPLES OR THE FEDERAL ACQUISITION REGULATION IN COMPUTING THE ADJUSTED COMMUNITY RATE FOR MEDICARE+CHOICE PLANS.

(A) IN GENERAL.—Section 1854(f) of the Social Security Act (42 U.S.C. 1395w-24(f)) is amended by adding at the end the following new paragraph:

“(5) EXCLUSION OF CERTAIN COSTS IN DETERMINING ADJUSTED COMMUNITY RATE.—In determining the adjusted community rate for an organization, there shall not be included any costs of the organization which would not be allowable costs under cost-reimbursement principles applied under this title or under the Federal Acquisition Regulation. Specifically, in carrying out this paragraph, the Secretary shall not permit inclusion of costs of lobbying, political contributions, or communications with plan members to urge them to lobby or to carry out other political activities.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to determinations of adjusted community rates made after June 14, 1999.

“LET'S KEEP CHINESE SPYING IN PERSPECTIVE”

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1999

Mr. CRANE. Mr. Speaker, as evidenced by the debate in the House, all of us have serious concerns about the espionage activities that resulted in the theft of U.S. military secrets. On a daily basis, as Chairman of the Ways and Means Trade Subcommittee, I discuss, and contemplate, the complex but critically important issues involving the United States and the People's Republic of China. In my discussions, I try to articulate what I believe should be our response to the situation in which we find ourselves. However, I had not

found a written piece that provided a reasoned and concise response to the allegations of spying until I read an opinion written by former President Jimmy Carter in the May 28th edition of USA Today. I completely agree with his views and I strongly urge my colleagues to read his comments which I have included for the RECORD.

[From the USA Today, May 28, 1999]

LET'S KEEP CHINESE SPYING IN PERSPECTIVE
(By Jimmy Carter)

Recent revelations about Chinese espionage are a justifiable cause for alarm among all those who are concerned about the protection of America's military secrets. But it is also important to keep this issue in perspective as it affects already strained U.S.-Sino relations and to remember how nations traditionally react to security breaches.

The bipartisan report of the House select committee, which seems to be thorough and accurate, warrants immediate corrective action and, as a secondary priority, an effort to affix blame on those who may have violated the law or been derelict in their duties. However, the revelations have also aroused reactions that are ill-advised, counterproductive

• This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

and could subvert the potential benefits of the committee's good work. There are unfounded allegations by both Democrats and Republicans against each other, obviously designed for partisan advantage. Some other American leaders, who have habitually demonstrated animosity toward the People's Republic of China, have attempted to drive a deeper wedge between our two countries at what is already a troubled time.

A CONFUSED POLICY TOWARD CHINA

At best, U.S. policy toward China is very confusing, at least to the Chinese, both because of uncertainties within the administration and because of highly publicized differences between the White House and Congress on how to address the issues of Taiwan, human rights, trade and the sharing of political responsibilities in Asia. The bombing of the Chinese Embassy in Belgrade, Yugoslavia, has further exacerbated the troubled relationship. This regrettable incident also has injected China, as a permanent member of the U.N. Security Council, into the potential role of negotiating a peaceful resolution of the Kosovo crisis.

It is clear that much is at stake—for both U.S.-China and global relations. So let's consider some facts about espionage. There are few, if any, nations that would not take advantage of opportunities to learn withheld secrets that could contribute to their military, political or economic advantage. In fact, although the select committee's attention was focused exclusively on China, it would be surprising if Russia and other nations have not also benefited from the lax policies at our nuclear research laboratories.

The United States certainly seeks to learn what other nations are doing, and we use surreptitious means, if necessary, to glean this information. Only recently, the celebrated case of Jonathan Pollard has proved this premise. Pollard was found guilty of delivering, over a period of years, some of our most valuable secrets to Israel, our strongest and most reliable ally in the Middle East.

The standard reaction to cases of this kind is to arrest and punish severely American citizens who have committed such treasonous acts, but not to impose penalties on the country that benefited from them. If a foreign spy is caught in our nation, the response is to expel the guilty person and perhaps to include others who are suspect or diplomatically sensitive. When I was president, we even swapped guilty Soviet spies for the freedom of some human-rights heroes who were incarcerated in Siberia.

In addition to spying among nations, a major field of espionage is in the commercial world, where France and other advanced nations avidly seek secret information from American business firms—and vice versa.

HANDLE GUILTY PARTIES AS IN THE PAST

In the current case, no one has been arrested for espionage, and there is no indication that such arrests are imminent. If guilty parties are revealed, they should be handled in the time-honored way.

This still leaves the question of China's improper use of the secret information, either to threaten us directly or to channel advanced weapons to others who might attack the United States. The House committee leaders make clear that the Chinese have not tested or deployed missiles or warheads that include the most advanced technology. In fact, the People's Republic of China has committed itself to complying with the Nuclear Test Ban Treaty, and any testing of warheads would be considered a serious violation of international law.

Revelations of spying should lead to legal action against any convicted American spies

and to the treatment of international relations in a customary and historical manner. The past 20 years of diplomatic relations have been extremely valuable to both our nations and to peace, stability and economic progress in Asia. These advantages must not be endangered as we correct the mistakes that have been made by both Democratic and Republican administrations.

My hope is that our government can exhibit as much wisdom, judgment, effectiveness and bipartisan cooperation as has been demonstrated by the select committee.

HONORING DANIEL R. GOOLEY ON HIS RETIREMENT

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1999

Ms. DELAURO. Mr. Speaker, I stand today to honor one of New Haven, Connecticut's most celebrated citizens. On July 13, 1999, family, friends, and the New Haven community will gather to pay tribute to Daniel R. Gooley as he celebrates his retirement.

Dan Gooley has served the citizens of New Haven in a variety of professional settings for more than half a century. His involvement with the City of New Haven began in 1933 when his father founded Gooley's Pub where Dan acted as manager until he became the proprietor of the pub in 1973. Over the years, Gooley's Pub has been a popular establishment for local businessmen, city officials, politicians, and the local Irish community. Gooley's was known for its warmth, friendliness and high-spirited political discussions.

Dan's own interest in local politics led to his election as a Member of the New Haven Board of Aldermen where he served three terms on the city board. After the closing of the historic saloon, Dan continued to stay involved with the New Haven community by serving a five year term as Deputy Sheriff. His community involvement continued at the Knights of Saint Patrick, where Dan eventually served as President and then assumed the stewardship for the Irish-American fraternal organization. Ethnic-based clubs, particularly in the New Haven area, have helped to enhance the spirit and friendship among its members and realize the importance of family traditions and family values. As the club steward, Gooley managed the organization, dedicating himself to the promotion of the Irish culture in the local community.

Mr. Speaker, it is a pleasure for me to rise today and join with his wife, Phyllis, family, and friends to celebrate this wonderful occasion and to recognize Dan's contributions to the local community. We wish him continued health and happiness in his retirement.

PERSONAL EXPLANATION

HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1999

Mr. MOORE. Mr. Speaker, on June 7, 1999, due to the failure of USAirways to provide

scheduled service, I missed three votes due to circumstances beyond my control. Had I been present, I would have cast the following votes:

Roll No. 137, approval of the Journal of May 27: "aye."

Roll No. 138, passage of H.R. 435, Miscellaneous Trade and Technical Corrections Act: "aye."

Roll No. 139, passage of H.R. 1915, "Jennifer's Law": "aye."

GOD IS WHAT WE NEED

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1999

Mr. BARR of Georgia. Mr. Speaker, this poem was written by Darrell Scott, the father of two victims of the Columbine High School Shooting in Littleton, Colorado:

Your laws ignore our deepest needs
Your Words are empty air
You've stripped away our heritage
You've outlawed simple prayer
Now gunshots fill our classrooms
And precious children die
You seek for answers everywhere
And ask the question "Why?"
You regulate restrictive laws
Through legislative creed
And yet you fail to understand
That God is what we need!

CONGRATULATIONS TO EDGEWOOD COLLEGE CLASS OF 1999

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 14, 1999

Ms. BALDWIN. Mr. Speaker, I rise this morning to pay tribute to the graduating class of Edgewood College, whose 71st commencement was Sunday May 16, 1999. Founded in 1927 by the Sinsinawa Dominicans as a junior college for women, Edgewood College is today an outstanding co-ed, liberal arts school located in the Second Congressional District offering both graduate and undergraduate programs. It sits on a beautiful campus shaded by gnarled oak trees on the shore of Lake Wingra. Committed to excellence in teaching and learning, Edgewood College seeks to develop intellect, spirit, imagination and heart. Its graduates acquire an enduring commitment to service, all from an educational community that seeks truth, compassion, justice and partnership.

My own life has been enriched by classes at Edgewood, where one of its special features is its accommodation of working adults. Americans are increasingly learning the benefits of life-long education, and Edgewood has long been a leader in this field.

I would also note that Edgewood College will confer two honorary degrees, to Gaylord Nelson, former Wisconsin Senator and one of our nation's greatest environmentalists; and to Sr. Angelo Collins, OP, the internationally recognized science education expert. I invite my colleagues to join with me in saluting the Edgewood College Class of 1999.